BUDGET WEEK

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HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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Volume 2, No. 10 | **Summarizing budgetary issues in legislation scheduled for the House floor** | 16 April 2002

Week of 15 April 2002

SUSPENSION CALENDAR

1) ***Joseph W. Westmoreland Post Office Building Designation Act*** (H.R. 3960). 
This bill has no budgetary implications.

2) ***Philip E. Ruppe Post Office Building Designation Act*** (H.R. 1374). 
This bill has no budgetary implications.

3) ***Clergy Housing Allowance Clarification Act*** (H.R. 4156). 
This bill amends the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion in the tax code is limited to the fair rental value of the property involved. Although no estimate of the revenue impact of this bill was available at the time this Budget Week was published, the Budget Committee does not expect the bill to have any significant budgetary consequence.

4) ***Family Farmer Bankruptcy Extension Act*** (H.R. 4167). 
This bill would extend chapter 12 of title 11 of the U.S. Code until 1 June 2002. Chapter 12 specifies bankruptcy procedures available only to family farmers with regular annual incomes, and is intended to facilitate an efficient and expeditious bankruptcy process. The authorization for such bankruptcy proceedings expired 1 October 2001.
Bankruptcy fees are recorded in a number of ways. Portions are recorded as governmental receipts (revenue), as offsetting collections to the U.S. Trustee System Fund, and as offsetting receipts to the Administrative Office of the United States Courts. The apportionment of the fees is determined by whether the filing is under chapter 11, chapter 12, or chapter 13.
The Congressional Budget Office [CBO] has not scored the bill, but CBO estimates enactment of H.R. 4167 would have no significant budgetary impact. It is expected the bill would result in a small loss of offsetting collections from the U.S. Trustee System Fund, thus causing an insignificant increase in net outlays from the fund in 2002 (because these collections are scored as negative outlays). In addition, enacting H.R. 4167 is expected to result in a negligible loss of offsetting receipts and revenue in 2002. These losses are attributable to the reduction in fees through the use of chapter 12 filings.
This bill would cause the Judiciary Committee to exceed its allocation for fiscal year 2002 and fiscal years 2002-2006. This bill would violate section 302 of the Congressional Budget Act.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. *Note: Floor schedules and legislative details are subject to change after publication.*

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***Child Custody Protection Act*** (H.R. 476).

Committee: Judiciary

Summary: This bill amends the Federal criminal code to prohibit transporting an individual under age 18 across a State line to obtain an abortion and thereby abridging the right of a parent, under a law in force in the State where the individual resides, requiring parental involvement in a minor's abortion decision. The bill makes an exception if the abortion was necessary to save the life of the minor. Neither the minor transported nor her parent may be prosecuted or sued for a violation of this act. The bill provides an affirmative defense in a legal action if the defendant reasonably believed that any required parental consent or notification, or judicial authorization, was completed before the abortion took place. The bill also authorizes any parent who suffers legal harm from a violation to obtain appropriate relief in a civil action. "Parent" is defined to include a guardian, legal custodian, or person standing *in loco parentis* who has care and control of the minor, with whom the minor regularly resides, who is designated by such law as a person to whom notification, or from whom consent, is required.

Budget Act: CBO estimates that implementing H.R. 476 would not result in any significant cost to the Federal Government. The bill could increase the collection of criminal fines, which are recorded in the budget as governmental receipts, are deposited in the Crime Victims Fund, and are later spent. This bill does not violate the Congressional Budget Act.

Bill: ***Make Permanent the Economic Growth and Tax Relief Reconciliation Act of 2001***

Committee: Ways and Means

Summary: This bill is intended to make permanent the tax reduction measures enacted last year under the Economic Growth and Tax Relief Reconciliation Act [EGTRRA] of 2001. Though the final legislative language had not been introduced at the time of publication, the expected effect of the bill is to remove the various sunsets in the tax code applying EGTRRA provisions. These sunset provisions were included to meet Senate requirements. Under the Congressional Budget Act, a reconciliation bill in the Senate may not lose revenue after the period provided for in the budget resolution. Last year's budget resolution covered 10 years. Hence, the Ways and Means Committee was at that time forced to include provisions repealing the various tax cuts at the end of the 10-year period.

Budget Act: Though last year's budget resolution covers a 10-year period, it is a bill's 5-year budgetary effect that is considered for enforcement purposes. It is expected that the bill will remove sunset provisions occurring well outside the 5-year enforcement period. But a preliminary estimate prepared by the Joint Committee on Taxation indicates substantial revenue effects will occur in the first 5 years. This is due largely, though not exclusively, to the estimate of changed behavior related to the gift tax. By making the estate tax relief permanent, some individuals may postpone transferring assets that would be subject to the gift, expecting to reduce their tax liability once the estate tax has been eliminated. Together with other provisions, the bill is estimated to increase revenue in fiscal year 2002, but reduce revenue by $19.655 billion between 2002 and 2006. Because this bill is not expected to be reported, Budget Act points of order will likely not apply. If it were reported, it would violate section 311 of the Congressional Budget Act, which prohibits legislation that reduces revenue below the levels called for in the budget resolution in the first year or or 5 years. In addition, because certain provisions first become effective in fiscal year 2003, the bill also would violate section 303 of the Budget Act. Section 303 prohibits the consideration of legislation that first becomes effective in a year for which a budget resolution has not been passed. This section has been interpreted to apply to a bill as a whole, and also to individual provisions within any legislation considered on the floor.